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# Redfin Reports Newly Built Apartments Are Starting to Fill Up Faster, But At a Slower Pace Than Last Year

*54% of U.S. apartments that were completed in the first quarter rented within three months, up from 47% a quarter earlier*

SEATTLE--(BUSINESS WIRE)-- (NASDAQ: RDFN) — More than half (54%) of newly constructed apartments completed in the first quarter were rented out within three months—bouncing back from a four-year-low of 47% a quarter earlier— according to a new [report](#) from Redfin ([redfin.com](https://www.redfin.com)), the technology-powered real estate brokerage.

That's still the second-lowest seasonally adjusted share recorded in a quarter since mid-2020 and down from 58% a year earlier.

The uptick from the previous quarter—which saw the slowest absorption rate of any quarter since the start of 2020—may be a sign that building owners are attracting renters with [more affordable rents](#) and concessions.

The absorption rate for new apartments has been slower this year than the previous two years because of a spike in new apartment buildings being built—especially in Sun Belt metros that became popular destinations during the pandemic.

“With only around half of new apartments renting out within three months, not only do renters have more choices, they also likely have the ability to negotiate a better deal,” said Redfin Senior Economist [Sheharyar Bokhari](#). “There’s a huge number of new apartments opening up, and building owners are competing with one another to fill them up quickly.”

Nationally, the rental vacancy rate for buildings with five or more units was 7.8% in the second quarter, up from 7.4% a year earlier, further indicating that supply is slightly outpacing demand.

## Studio apartments filling up faster as completions fall

With less inventory available, studios filled up slightly faster than other bedroom types, with 58% rented out within three months, up from 42% a year earlier. Studio apartments were the only type to see completions fall in the first quarter, dropping 7.1% from a year earlier.

In comparison, 53% of new one-bedroom and two-bedroom apartments were rented out within three months, down from 58% a year earlier. Completions for both categories jumped more than 20% in the first quarter, year over year.

## Percentage of New Apartments Rented Within 3 Months

	Q1 2024	Q1 2023	2023 → 2024
Studio	58%	42%	+16 ppts
One-Bedroom	53%	58%	-5 ppts
Two-Bedrooms	53%	58%	-5 ppts
Three-Plus-Bedrooms	53%	65%	-12 ppts

New three-plus-bedroom apartments—the rarest bedroom type—saw the biggest slowdown from a year earlier, with 53% rented out within three months, down from 65% a year earlier. This came after a modest rise in completions (+5%).

Redfin's report is based on an analysis of the U.S. Census Bureau's seasonally adjusted absorption rate data for unfurnished, unsubsidized, privately financed rental apartments in buildings with five or more units, dating back to the first quarter of 2012. The most recent data available measures apartments that were completed in the first quarter of 2024, and either rented or not rented within three months of then. Please note that absorption rate data by bedroom type is not seasonally adjusted.

To view the full report, please visit: <https://www.redfin.com/news/new-rentals-absorption-Q2>

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Contact Redfin

Redfin Journalist Services:

Kenneth Applewhaite

[press@redfin.com](mailto:press@redfin.com)

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